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FIRST COUNTRY COOPERATION FRAMEWORK FOR EQUATORIAL GUINEA (1998-2000)

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INTRODUCTION

1. The first country cooperation framework (CCF) for Equatorial Guinea covers the period 1998-2000. It draws on the UNDP advisory note, which, in turn, was based upon consultations with the Government of Equatorial Guinea and other relevant development partners. It also takes into account national documents, including the Medium-Term Economic Strategy for Equatorial Guinea, sectoral evaluations, the preparatory documents for the third round table of donors, as well as the final report on the evaluation of the fourth country programme (1993-1996). Equally, the CCF is based on the recommendations of recent international conferences, particularly the United Nations Conference on Environment and Development, the Fourth World Conference on Women and the World Summit for Social Development. The framework was prepared by the Government of Equatorial Guinea on the basis of a consensus with the UNDP country offices, and it defines the main development problems and challenges that the country faces, the strategy by which to address them, the thematic areas in which UNDP and the Government will cooperate, as well as the necessary management arrangements to be adopted during the implementation period of the first CCF. It became apparent during the course of 1997 that the process to formulate the first CCF could not be completed in time to present the document to the Executive Board in the same year. Under these circumstances, the Administrator found it necessary to extend the period of the fourth country programme to cover the year 1997. The Administrator wishes to bring this to the attention of the Executive Board at its current session.

I. DEVELOPMENT SITUATION FROM A SUSTAINABLE HUMAN DEVELOPMENT PERSPECTIVE

2. Stimulated by oil production, the economy of Equatorial Guinea has performed impressively since 1995. However, the country still has a low human development index, which means that economic growth has not translated into improved living conditions for the population. Currently, on the basis of its human development indicators, Equatorial Guinea is included among least developed countries. According to the Human Development Report 1997, gross domestic product (GDP) is estimated at $420, life expectancy at 48.6 years, and infant mortality at 114 per 1,000 live births. According to its human development index, Equatorial Guinea ranks 135 out of a total of 175 countries classified in descending order, from the highest to the lowest. According to the latest estimates available in the country, access to safe water supplies and health services are approximately 32 per cent and 37 per cent, respectively.

Poverty eradication

3. The current rapid and considerable rate of economic growth will facilitate access to basic social services, given appropriate policies. In this regard, the Government plans to improve education and health services. The private sector has an important role to play in the eradication of poverty, through the promotion of small- and medium-scale enterprises and the consequent creation of employment. Regulations on property rights and land ownership play a key role, as well as the opening and rehabilitation of feeder roads and the provision of

basic infrastructure. The Government will increase investment to improve access to the above-mentioned social services.

Environment

4. In Equatorial Guinea, the main environmental problems that require particular attention are deforestation and the loss of biodiversity. Other causes for concern are related to oil production and its development, including the pollution caused by gas flaring. A wide-ranging environmental protection policy is needed, outlining an environmental strategy that defines priorities for local and donor initiatives and provides a mechanism for enforcement.

The situation of women

5. Women represent 51.2 per cent of Equatorial Guinea's population. Women account for 65 per cent of the total labour force in the areas of agriculture and fisheries; 85 per cent of those working in retail trade; 54 per cent of those employed in bars (beer parlours), restaurants and hotels; 20 per cent of those in civil service; and 25 per cent of those in domestic service. Despite continuous efforts in the area, women still do not benefit from equal opportunities and access to basic social services and productive activities, primarily because of prevailing popular gender biases and low self-esteem.

Employment creation

6. The orientation of the economy towards the extraction of petroleum and the production of timber has not promoted employment, since these sectors are highly capital intensive. As a result, although the petroleum and timber sectors were projected to account for about 59.7 per cent of GDP in 1996, and are the driving force of the economy, with annual growth rates of 177.3 per cent and 11.8 per cent, respectively, their impact in terms of employment creation is not noticeable. The unfavourable climate for manufacturing in particular, and private sector development in general, together with little integration of the above-mentioned sectors with the other sectors of the economy, limit the potential of the current high rates of economic growth to stimulate employment.

Governance

7. Equatorial Guinea is currently undergoing a process of political transition to a more democratic form of government. A result of this process is a growing consensus on the importance of good governance as a prerequisite for improving the management of national affairs. The debate has centred on the need for: (a) public administration reform; (b) sound economic management; (c) an independent judicial system; (d) a more active civil society; and (e) human rights.

8. Public service reform. In Equatorial Guinea, public administration is characterized by corruption and a lack of motivation caused by poor personnel management, low wages, insufficient materials, the lack of standard operating procedures and manuals, and the absence of clear lines of authority. The instability of institutions due to the frequent changing of structures and a high turnover of employees also contributes to a lack of institutional memory.

The Government is determined to elaborate and implement a well-designed and comprehensive public administration reform programme backed by effective political support, in order to achieve significant and sustainable improvements in the area.

9. Judicial system. An independent judiciary is widely regarded as essential. There is a consensus on the fact that the current situation leaves much to be desired. Technical capacity is limited, since about 70 per cent of those in the judiciary do not have any kind of training in law. There is also a need to harmonize diverse training backgrounds. In addition, there are two parallel types of legislation, outdated written laws along European lines, and traditional, unwritten legislation, still being applied.

10. Civil society. The weakness of the civil society is an obstacle to the democratization and popular empowerment processes. There are no professional associations or research institutions to investigate the national reality. A favourable development is the appearance of national non-governmental organizations (NGOs), which are active in such areas as health, education, community development, environment and humanitarian assistance. However, the activities of the NGOs have little impact, in view of: (a) their lack of experience; (b) insufficient resources; (c) a dearth of expertise; and (d) the lack of official recognition.

11. Human rights. In view of its poor record in this area, Equatorial Guinea has benefited much from the advice of the United Nations Special Rapporteur, through reports prepared on the basis of fact-finding missions to the country. A number of courses have been held for policemen and soldiers, political parties and authorities at district and local levels. It is believed that these activities have produced positive results, although much remains to be done. In addition, the Government is taking measures to implement the agreements reached with opposition political parties, such as on the functioning of the Follow-up Committee on the National Pact, and the creation of the Centre for the Promotion of Human Rights.

II. RESULTS AND LESSONS OF PAST COOPERATION

12. Since 1991, Equatorial Guinea has been experiencing a decline in levels of foreign assistance, from $47 million in 1990 to only $26 million in 1995, representing a 45 per cent reduction in aid. The negative impact of this development becomes more apparent when considering that foreign resources financed over 90 per cent of development expenditures, and most resources were allocated to the social sectors, including health and education, which absorbed over 50 per cent of the total amount of assistance. The consequent deterioration of living standards was compounded by the devaluation of the CFA franc and increasing demands for foreign debt servicing.

13. The fourth country programme for Equatorial Guinea covered the period 1993-1996. For the fifth cycle, an indicative planning figure of $11.4 million was allocated to the country which was subsequently reduced by 30 per cent, in accordance with Executive Board decision 94/16, to $7.9 million. Initially, there were three areas of concentration in the programme, namely:

(a) strengthening social services and human resources; (b) strengthening national capacity in planning, management and administration; and (c) the sustainable use of natural resources and the environment. Later, these areas were narrowed down to two - governance and the environment. This adjustment was made in order to better support the Government under new conditions brought about by economic and political developments. Through a project on development planning and democracy, support was provided to assist the Government in the areas of human rights and the democratization process. Assistance consisted of: (a) the formulation of the electoral programme; (b) a census of the electorate; (c) the organization of international observation; and (d) the implementation of a civic campaign to acquaint the population with electoral concepts and processes. Substantial cost-sharing was obtained from several bilateral donors, with UNDP playing the role of coordinator throughout the process. The involvement of UNDP generated internal and external credibility to the processes. In the area of human rights, with the cooperation of the United Nations Centre for Human Rights, several courses were organized, directed at high- and middle-level officials as well as political leaders. Through the planning and economic management and reform project, the foundation for a national planning framework has been laid, including the formulation of the basic elements of a development strategy, support for the preparation of a Public Investment Programme, and support for the preparation of a national economic conference.

14. An in-depth evaluation of the fourth country programme was conducted in May 1997, during the programme's one-year extension. The main findings and lessons included: (a) an increase in the use of national professionals would facilitate national capacity-building and foster autonomy and ownership while ensuring learning by doing; (b) there was a lack of sustainability because of the need for more commitment on the part of the Government, poor resources allocations (human and financial) and the absence of mechanisms for the internalization of project results; and (c) poor coordination among government institutions slowed down execution and generated wastage.

III. PROPOSED STRATEGY AND THEMATIC AREAS

15. The Government's Medium-Term Economic Strategy (1998-2001) will be implemented through concrete actions in four priority areas, namely: (a) infrastructure; (b) the social sectors; (c) the productive sectors; and (d) governance and the public sector. To this end, the Government has five priority objectives: (a) to attain sustained and rapid growth with equity; (b) to reduce poverty; (c) to diversify the economy and the export base so as to gain access to more sources of growth and to reduce the economy's vulnerability to shocks; (d) to assign the private sector the role of "engine of growth" and to create the necessary conducive atmosphere; and (e) to redefine the role of the State as a facilitator rather than a competitor of the private sector.

16. The Government plans to strengthen and institutionalize its Public Investment Programme, which is prepared annually, through which resources, both financial and human, will be channelled for the implementation of Medium-Term Economic Strategy, taking advantage of windfall oil revenues. In this regard, for the three-year period of the CCF, the Government will allocate resources

through the Public Investment Programme in the following manner: (a) social sectors, 40 per cent; (b) productive sectors, 10 per cent; (c) infrastructure, 45 per cent; and (d) public administration, 5 per cent.

17. The overall objective of Equatorial Guinea's socio-economic development is to improve the population's standards of living, through the provision of efficient public services, especially health, education, potable water and environmental sanitation, as well as poverty reduction, through the implementation of a strategy based on the principles of sustainable human development.

18. The adoption of the sustainable human development paradigm by the Government of Equatorial Guinea harmonizes with the goals of the Medium-Term Economic Strategy. Within this context, UNDP will support the Government in its efforts towards the consolidation of the implementation of sustainable human development processes in Equatorial Guinea. The practice of addressing short-term concerns in development matters and the consequent lack of continuity and coherence in development activities will be phased out in favour of the establishment of a longer-term vision. A rational framework suited to local conditions will be created. Thus, weak institutional capacity requires upgrading to a level that would be consistent with the requirements of the planning framework.

19. Within the above-mentioned context, the objectives of the CCF will be: (a) the establishment of an appropriate framework within which planning and programming activities will be carried out, taking into consideration existing local conditions; and (b) capacity-building within the Government for sustainable human development-oriented development management. Interventions will aim at reinforcing national capacity and promoting popular participation.

20. The main tools UNDP will use to assist the Government to implement this strategy are outlined below:

(a) Sustainable Human Development policy advocacy. Ongoing advocacy at the policy level will aim at ensuring that the principles of sustainable human development are embedded in the development policies being formulated. The process of preparing a national human development report, which has just begun, will be reinforced, and seminars will be organized for the dissemination of sustainable human development concepts and best practices;

(b) Programme approach. The programme approach will be implemented to improve coherence among various interventions and ensure greater impact. Seminars will be organized to acquaint Government officials with the approach. Likewise, a study will be conducted to assess the advisability of the national execution modality;

(c) Aid coordination. Within the context of the formulation of a viable planning framework by the Government, aid coordination will be a priority. Therefore, UNDP will assist the Government in resuming a dialogue with its development partners, in terms of vision, strategies, policies and priorities. Efforts will be made to create the necessary conditions for the organization of a third round-table conference of donors.

21. In view of the country's socio-economic situation and of the limited UNDP resources available, UNDP cooperation will focus on the areas of concentration described below.

A. Governance

22. The Government will be provided with support in the formulation, management and implementation of its governance programme, with the purpose of establishing an institutional framework, leading to a public administration oriented towards development; increasing popular participation in decision-making through decentralization; and the strengthening of civil society and the promotion of human rights and the rule of law. The programme will include a component for the creation of a conducive climate for private sector development. UNDP support will centre on the reform of current administrative and financial systems to ensure the development of a sound macroeconomic framework and better coordination of development efforts, based on a national long-term vision; the improvement of the judicial system to promote rule of law and the observance of human rights; the strengthening of community initiatives to increase popular participation and support decentralization; and the formulation and implementation of sound policies for private sector development. UNDP will contribute to building capacities within relevant institutions to address environment issues resulting form intensive natural resources exploitation.

B. Poverty eradication

23. The objective of initiatives in the areas of poverty eradication, based on studies and analysis, is to design, articulate and implement policy measures and strategies, supported by concrete interventions at the community level, to be directed and developed with the poorest segments of the population, with a particular focus on gender issues. Mechanisms will be created to permit the monitoring of poverty in the country and to develop tools for an early warning system and other modes of attacking poverty. In addition, consultations will be held to create awareness and increase knowledge about sustainable human development.

24. UNDP will assist in the formulation of a poverty eradication strategy that will contribute to the efficient utilization of the resources generated from the exploitation of the natural resources to meet the basic needs of the more vulnerable groups. Assistance will focus on designing or improving credit schemes and on resource mobilization.

C. Other areas

25. Through its advocacy role, UNDP will make every effort to ensure that relevant themes and areas of focus are addressed in national programmes. The United Nations Special Initiative for Africa provides avenues for the implementation of activities in such areas as education, health, water and food security. UNDP may also provide assistance in the formulation of sectoral investment programmes to be presented at sectoral consultations.

IV. MANAGEMENT ARRANGEMENTS

Execution and implementation

26. UNDP development activities in the context of the first CCF will be based on the programme approach, due to its advantages in terms of coherence, better focus and potential positive impact. Since activities will be carried out in cooperation with several institutions, there is a need for a single managerial unit for better coordination at the government level, while maintaining the necessary decentralization at the subprogramme level.

27. The exchange of experiences will be promoted with countries that have similar conditions as Equatorial Guinea through the technical cooperation among developing countries modality and the use of cost-effective mechanisms such as United Nations Volunteers.

Programme monitoring and review

28. The execution of the CCF will be closely monitored through periodic reports prepared by the National Programme Manager, on the basis of reports submitted by National Programme Directors. These reports will also serve as the basis for annual programme reviews, which will be organized jointly by UNDP and the Government. In addition, each subprogramme will have its own system of evaluation, including tripartite reviews, in-depth evaluations, and regular visits by country office personnel.

Resources mobilization

29. For the effective and successful execution of the CCF it is necessary to mobilize both regular resources and resources from other sources. The annex to the present document provides indicative figures for the period covered by the CCF.

Expected impact

30. It is expected that the implementation of the CCF will result in: (a) better coordination, through direct support to national coordination mechanisms and constant advocacy; (b) better use and strengthening of national capacity in key sectors such as environment and policy formulation through the implementation of the proposed modalities; and (c) an increase in sustainability, owing to the increased availability of fiscal resources, reorganized structures and better linkage of national priorities. The development of sound policies and strategies with which to fight poverty as well as the interventions at community level will improve the living standards of the population of Equatorial Guinea. Similarly, there will be a better environment for the private sector development, through a redefinition of the State's role as well as its orientation as facilitator, through the review of the norms defining the partnership between the private and public sectors.

31. At the end of the period covered by the CCF, important advances will have been made in the area of human rights, owing to systematic sensitization, education and training, and the publishing and dissemination of laws. The

existence of a credible, operational Centre for the Promotion of Human Rights will contribute towards the progressive transformation of Equatorial Guinea into a State ruled by law.

Annex

RESOURCE MOBILIZATION TARGET TABLE FOR EQUATORIAL GUINEA
(1998-2000)

(In thousands of United States dollars)

Source	Amount	Comments
UNDP CORE FUNDS		
Estimated carry-over	282	
TRAC 1.1.1	1 759	Assigned immediately to country.
TRAC 1.1.2	0 to 66.7 per cent of TRAC 1.1.1	This range of percentages is presented for initial planning purposes only. The actual assignment will depend on the availability of high-quality programmes. Any increase in the range of percentages would also be subject to availability of resources.
Other resources	119	SPR
SPPD/STS	246	Includes TSS-1 and TSS-2 carry-over.
Subtotal	2 406[a]	
NON-CORE FUNDS		
Government cost-sharing	100	
Sustainable development funds	290	GEF
Third-party cost-sharing	1 000	
Funds, trust funds and other	190	Africa 2000
Subtotal	1 580	
GRAND TOTAL	3 986[a]	

[a] Not inclusive of TRAC 1.1.2, which is allocated regionally for subsequent country application.

Abbreviations: GEF = Global Environment Facility; SPR = special programme resources; SPPD = support for policy and programme development; STS = support for technical services; TRAC = target for resource assignment from the core; and TSS = technical support services.